

CORRECTED FISCAL NOTE

SB 1511 - HB 1283

February 19, 2008

SUMMARY OF BILL: Exempts anyone 21 years of age or older from wearing a motorcycle helmet while riding a motorcycle.

ESTIMATED FISCAL IMPACT:

On March 20, 2007, we issued a fiscal note on this bill indicating a *not significant increase in state expenditures, a not significant increase in local government expenditures, and an increase in expenditures exceeding \$100,000 for crash-related injuries (head injuries) occurring which would not have occurred in the absence of the bill to individuals on TennCare or the state or local government health plans.* This cost impact does not assume any increase in ridership. If ridership increases, there may be additional indirect revenue and cost impacts based upon data from other states. Any potential increased ridership may result in additional sales, registration, and licensure of motorcycles, generating additional revenue for state and local governments. Any increased ridership may also result in increased accidents and health care costs to public health systems including TennCare and the state and local government health plans. These indirect impacts cannot reasonably be quantified, but due to the high cost of care in traumatic injury cases, it is estimated that any increased health care costs would exceed any additional revenue. A more precise cost estimate was not possible because the Bureau of TennCare had not provided any information to assist in the preparation of this fiscal note. The Bureau of TennCare has submitted a support form which does not change the original estimated fiscal impact of the bill. The estimated fiscal impact of the bill is as follows:

(CORRECTED)

Increase State Expenditures – Not Significant

Increase Local Govt. Expenditures – Not Significant

Other Fiscal Impact – Increase Expenditures – Exceeds \$100,000
Crash-related injuries (head injuries) occur which would not have occurred in the absence of the bill to individuals on TennCare or the state or local government health plans; the health plans could experience increased costs.

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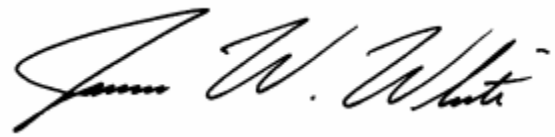
Assumptions:

- According to the Department of Revenue, there were 134,469 registered motorcycles last year in the state.
- It is estimated that of the 134,469 registrants, two percent, or 2,689 individuals are involved in accidents.
- According to the Department of Safety's Tennessee Operation Manual, one out of every five accidents results in a head injury. Such would result in 538 (2,689 X 20%) head injuries per year.
- There will be an increase in head injuries as fewer motorcyclists choose to wear helmets. In Kentucky, there was a 77% increase in head injuries after the repeal of the helmet law. Florida experienced an 80% increase in head injuries after the repeal of the helmet law.
- If Tennessee incurred a 77% increase in head injuries, that would result in a total of 414 additional individuals sustaining a head injury.
- According to Vanderbilt University, the average cost of a non-helmeted individual who was involved in a motorcycle accident from April 2005 to March 2006 was \$63,956.
- Of the 16 non-helmeted individuals in Tennessee that were treated at Vanderbilt Medical Center, there was a total loss of \$253,603, or 28.78% of the total charges.
- There would be an increase in hospital charges for the additional 414 riders who sustain a head injury. At an average cost of \$63,956, such would total \$26,477,784. The total loss to hospitals would be \$7,620,306.
- It is estimated that a portion of this amount will be passed on to the TennCare program as an indigent care payment. While there is no way to determine the exact amount, it is estimated that 25%, or \$1,905,100 could become an increased expenditures for the TennCare program.
- Most states that repealed the universal helmet law experienced an increase in motorcycle registrations.

- Fewer convictions for motorcycle helmet law violations resulting in a not significant decrease in state and local govt. revenues.
- Violations for persons under 21 years of age or older would increase resulting in a not significant increase in local govt. expenditures.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

/kml